



STATE BOARD OF EQUALIZATION

Sacramento

May 17, 1950

E. H. Stetson

Account No.

Under date of March 20, Supervising Auditor V. E. Ekstrom requested your office to revise its report of field audit of the above account for the period July 1, 1945 to March 31, 1948, so as to regard the Fox Company as the consumer of the materials going into certain motion picture ---, which in our opinion constitute "productions" as defined by General Bulletin 50-9 dated February 24, 1950. It is our understanding that these playlets are complete in themselves and are not produced merely to become a part of some other production such as a title or stock shot.

Mr. ---'s request of March 20 was returned with a memo dated April 11 with the statement that the films involved in the audit were all "advertising trailers, and in our opinion, were not complete productions, even within the meaning of Bulletin 50-9 which indicates that trailers are taxable as sales at retail". Actually, however, the bulletin indicates that trailers are distinguished from productions when they constitute "a portion only of the complete production".

It is our understanding, as above indicated, that the playlets in question are complete in themselves and do not become a part of some other picture. Therefore, it appears in order for the revision requested in --- memo of March 20 to be made.

EHS:ph